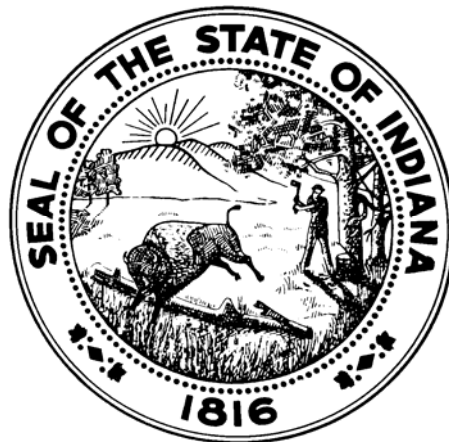


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

REVIEW REPORT
OF
CORRECTIONAL INDUSTRIAL FACILITY
STATE OF INDIANA
April 1, 2004 to May 31, 2006



FILED
7/20/06

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AGENCY OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|--|--|
| Commissioner, Indiana Department of Correction | Evelyn Ridley - Turner J. David Donahue | 02-01-01 to 01-09-05 01-10-05 to 01-11-09 |
| Superintendent | Stanley D. Knight Thomas D. Hanlon | 09-28-03 to 04-09-05 04-10-05 to 06-30-07 |



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CORRECTIONAL INDUSTRIAL FACILITY

We have reviewed the receipts, disbursements, and assets of the Correctional Industrial Facility for the period of April 1, 2004 to May 31, 2006. Correctional Industrial Facility's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Correctional Industrial Facility are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comment.

STATE BOARD OF ACCOUNTS

June 8, 2006

CORRECTIONAL INDUSTRIAL FACILITY
REVIEW COMMENT
MAY 31, 2006

RECREATION FUND DOCUMENTATION

The Correctional Industrial Facility does not maintain proper documentation for Recreation Fund disbursements. Several disbursements were made without adequate documentation as to the purpose of the disbursement.

Each Recreation Fund disbursement should be documented with the purpose for the disbursement, person and department requesting the purchase, date requested, date paid, amount of payment, check number, written approval of the superintendent or designee, vendor invoice, and verification that the goods were received. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 13)

CORRECTIONAL INDUSTRIAL FACILITY
EXIT CONFERENCE

The contents of this report were discussed on June 26, 2006, with Thomas D. Hanlon, Superintendent; and Stanley D. Knight, former Superintendent. The official response has been made a part of this report and may be found on page 6.



Mitchell E. Daniels, Jr.
Governor

J. David Donahue
Commissioner

CORRECTIONAL INDUSTRIAL FACILITY
P.O. Box 600 • Pendleton, Indiana 46064-0600
Phone: (765) 778-8011 • Fax: (765) 778-0924

Thomas D. Hanlon
Superintendent

State Board of Accounts
Deetra Smith, State Examiner
302 W. Washington Street, Rm. E418
Indianapolis, Indiana 46204

Ms. Smith:

In the recently completed audit at the Correctional Industrial Facility one (1) audit exception was indicated:

The Correctional Industrial Facility's Recreation Fund had several disbursements made without adequate documentation as to the purpose of the disbursement.

We found these to be on repetitive monthly payments for items such as the Correctional Cable Service and Video Rental. We have made the necessary corrections to assure this error is not repeated in the future.

The above information is being submitted in response to the exit conference document.

Thomas D. Hanlon, Superintendent
Correctional Industrial Facility

Cc: Cecil Davis, Southern Regional Director
Joseph Fistrovich, Chief Executive Finance & Performance
Lisa Cottingham, Controller
file



STATE OF INDIANA

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